

CEO Meeting Talking Points – Background Information

Completion of the WEC AP1000 design has been a significant project challenge affecting procurement and construction. The **incomplete design** of the AP1000 has resulted in 3-4 years of inefficient (and very poor) site execution. As a result, the Consortium has not been able to achieve success on any schedule or cost estimate published to date.

These issues have created a significant question of Consortium credibility regarding the delivery of the project. To move forward, the Owners plan to pursue a 3rd party evaluation to clearly define the issues impeding progress and to determine mitigative strategies necessary to ensure the project's success, and in turn, the success of all parties.

Following are talking points that substantiate **Incomplete design** as the primary project impediment along with the **projected cumulative impact on Target Cost**:

INCOMPLETE DESIGN

1. Original EPC (May 2008)

GSCDs: Apr 2016 / Jan 2019

- Lake Charles
 - Poor performance from onset was masked by the following issues
 - COL delay
 - Basement rebar issues
 - **Engineering & Design Coordination Reports (E&DCRs) were an issue as well** ... but had not come into focus at this time.

For information ... E&DCRs can be issued by the design authority (unsolicited) or solicited by a party in the field (site construction, fabrication shop, etc..) to resolve constructability or non-conformance issues.

EXHIBIT	16
WIT:	Mars
DATE:	10-29-18
K, KIDWELL, RMR, CRR, CRC	

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2. EPC Settlement (Jul 2012)

GSCDs: Mar 2017 / May 2018

- Two (2) fabrication shops now involved:
 - **CBI-LC** ... known poor performer for a number of reasons including:
 - Poor nuclear safety culture (chilled work environment)
 - Inability to properly document work
 - Material traceability issues
 - Inability to ship submodules with C of Cs
 - Site Level D Storage (quantity of)
 - Incomplete submodules delivered to site
 - Rework required at site
 - Lack of design maturity (volume of E&DCRs)
 - Regarding design maturity ... Unit 2 CA20 is an example; however, any structural module is applicable
 - CA20 scheduled hook Jan 2013 (July 2012 Settlement)
 - CA20 set on Nuclear Island May 2014 (16 months late)
 - CA20 set with **308 open E&DCRs** against it.
 - CA20 still has **XXX open E&DCRs**.
 - Wall concrete not placed over 1 year later.
 - **Volume of design changes** ... per CB&I project management, CB&I-LC is working on a **commercial claim** against Westinghouse for CB&I's inability to fabricate / deliver submodules on any prescribed schedule.
- **Newport News Industries (NNI)**
 - Owners' understanding was that NNI supported the July 2012 Settlement Schedule ... with no expediting required.
 - **E&DCRs have been a significant issue** from the onset and eventually led to a significant change order request from NNI (more details below).

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3. **Module Delay (Jun 2013) SCDs: Dec 2017 - Mar 2018 / Dec 2018 - Mar 2019**

- **Engineering is a challenge** ... at Presidents' Meeting (Dec 2013)- Jeff Benjamin announced the need for a **Rebaselined Schedule**. A definition for "engineering complete" had recently been established at WEC and engineering was to be completed as follows:
 - Civil / Structural Jan 2014
 - All other disciplines Feb 2014

The above engineering milestones were not achieved.

- **Engineering completion revisited** ... in Jan 2015, WEC committed to achieving an "engineering complete" milestone by **Apr 30, 2015**.
- **Engineering milestone partially achieved** ... on Apr 30, 2015, WEC claimed that the issuance of all Rev 0 drawings was achieved for the Nuclear Island (only) ... but with the following exceptions:
 - Auxiliary Building
 - Electrical raceway design above Elev. 100'
 - Roof design

In addition (per the May Project Review Meeting update) **engineering design is not complete** for the Annex Building, Turbine Building, and balance of plant site specific areas.

4. **Rebased Sched (Aug 2014) SCDs: Dec 2018- Jun 2019 / Dec 2019- Jun 2020**

- Lake Charles was de-seeped in 2014.
- Four (4) new fabrication vendors were added to the submodule supply chain (OIW, SMCI, Toshiba, IHII).
 - **Oregon Iron Works (OIW)** - Unit 3 CA20- 13 of 72 submodules
 - All 13 are late.

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- 1 received
 - **Over 1000 E&DCRs issued to date**
 - **CA20 is clearly still being designed.**
- o **Lake Charles**– Unit 3 CA20– 59 of 72 submodules
- 25 of 59 received (24 late)

Unit 3 - Jun 2020 Schedule
CA20 hook date = Sep 2015
No longer achievable
Hook currently tracking to Feb 2016

- o **SMCI**– CA03 (both units) – 34 submodules (17 per unit)
- Only 2 of 34 received
 - All Unit 2 submodules are past due.
 - Trip to Florida (Feb 2015) ∴ SMCI disclosed that the **volume of E&DCRs received to date** has significantly impacted its delivery schedule.
 - SMCI has had other significant procedural type issues that have resulted in self-imposed stop work orders
 - CB&I plans to move (some) CA03 scope back to Lake Charles

Unit 2 - Jun 2019 Schedule
CA03 hook date = Oct 2015
No longer achievable
Hook tracking to May 2016

Unit 3 - Jun 2020 Schedule
CA03 hook date = May 2016
No longer achievable
Hook tracking to Feb 2017

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- **Toshiba (Tokyo)** – Unit 3 CA01 – 22 of 47 submodules
 - **Over 600 E&DCRs issued to date.**
- **IHI (Tokyo)** – Unit 3 CA01 – 25 of 47 submodules
 - **Over 900 E&DCRs issued to date**
 - Over 100 E&DCRs have had direct schedule impact

Unit 3 - Jun 2020 Schedule
CA01 hook date = Feb 2016
No longer achievable
Hook tracking to Jun 2016

5. **Rebased Sched (current info)**

SCDs: Jun 2019 / Jun 2020

- **Dec 2018 / Dec 2019 SCDs ...** in Jan 2015 the Consortium acknowledged that the Dec 2018 / Dec 2019 dates were not achievable.
- **Shield Building Wall Panels require significant expediting ...** the Owners further learned that the Jun 2019 / Jun 2020 dates would require expediting material for the Units as follows:
 - Unit 2– 3 months expediting required
 - Unit 3 - 5 months expediting required
- **NNI– scope:** Shield Building Panels (both units)– 334 panels (167 per unit)
 - **\$20M CO** – on Apr 23, 2015, the Owners learned that NNI had issued CB&I a change order **due to the volume of design changes**
 - CB&I paid \$10M in good faith to keep work going
 - CB&I / NNI– currently renegotiating T&M contract to allow work to continue.
 - **CB&I / WEC– are currently in binding arbitration over issues at NNI**
 - CB&I is projected to hit hard dollar ceiling Jan 2016 ... at which time work could stop

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- **Engineering changes continue to accumulate** ... and impede schedule performance on nuclear island vertical construction. Following are recent examples:
 - **Nuclear Island Concrete work**- an **engineering change to embedments and rebar configuration** has impacted concrete layers 3, 4, & 5. Issues with engineering code for welded rebar couplers (actual design vs licensing basis) has stopped concrete placements. LARs are in process to resolve the issues. Lift & set of structural module **CA01 is now projected to be a minimum of 3-1/2 months late** depending on licensing outcome.
 - **Shield Building Transition Ring (Elev. 100) – late engineering design changes** for Layer E rebar dowels are delaying concrete placement work necessary to begin shield building transition ring installation.
- **Execution of critical path work ... CB&I continues to fail on executing critical path work.**
 - Two self-imposed stop work actions were required because of lack of work control in the containment vessel (core-drill incident & anchor installation procedures).
- **Progress over last 2 years - less than 8% of CB&I direct work** has been completed.
- **Progress required to achieve Jun 2019 / Jun 2020 SCDs - 84% of the work must be completed over the next 4-1/2 years.**
- **Regulatory and financial support in jeopardy** - the continued failure to meet schedule has severely impacted **project credibility**
 - Owners' credit ratings have been impacted
 - SCE&Gs BLRA rate recovery is at risk.
- **Production Tax Credits in jeopardy** - due to the uncertainty of shield building material deliveries ... the Owner has little confidence in the consortium's ability to complete Unit 3 by the end of 2020.

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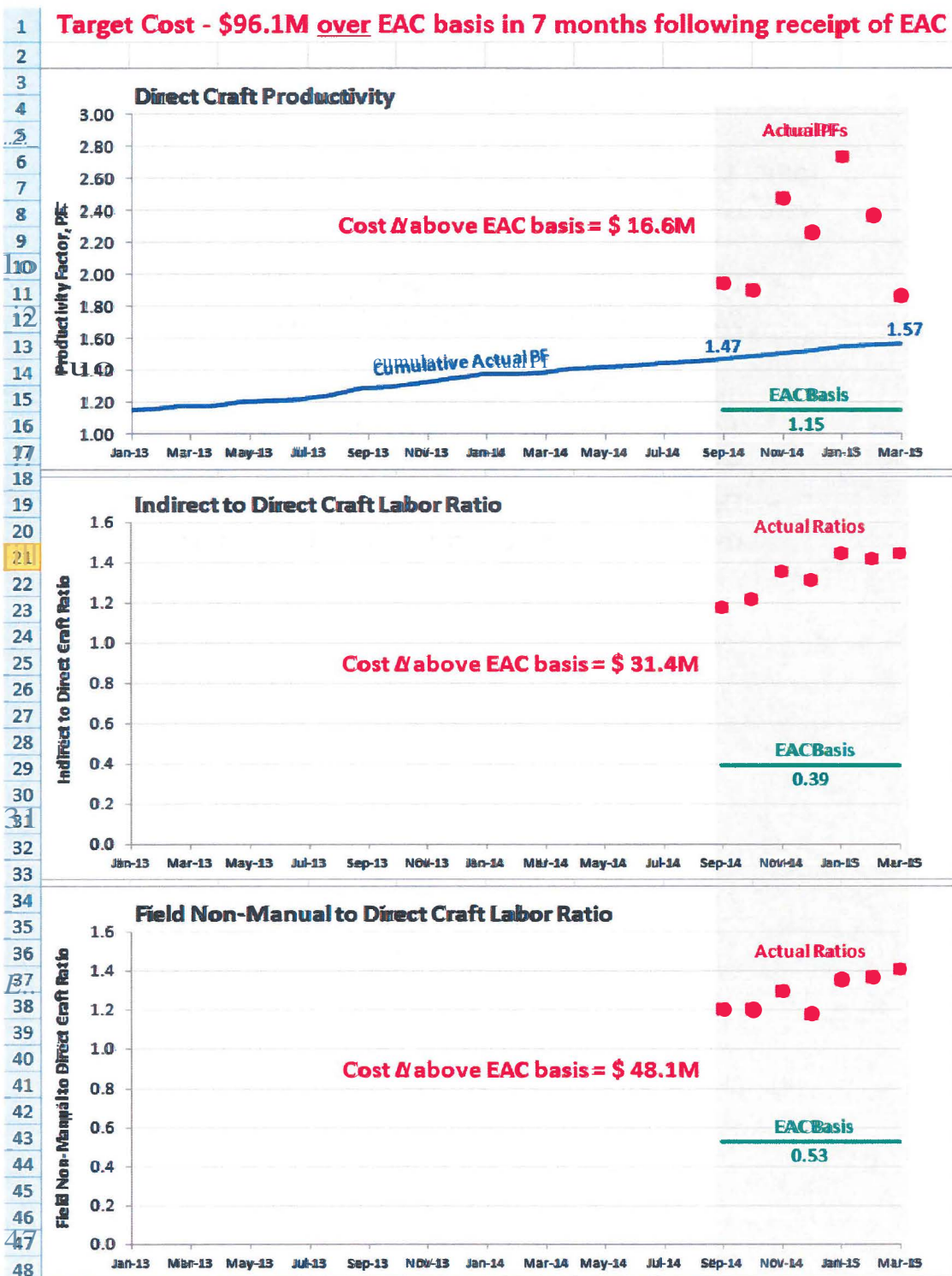
PROJECTED CUMULATIVE IMPACT ON COST

1. Consortium has little credibility ... for developing a realistic cost estimate.

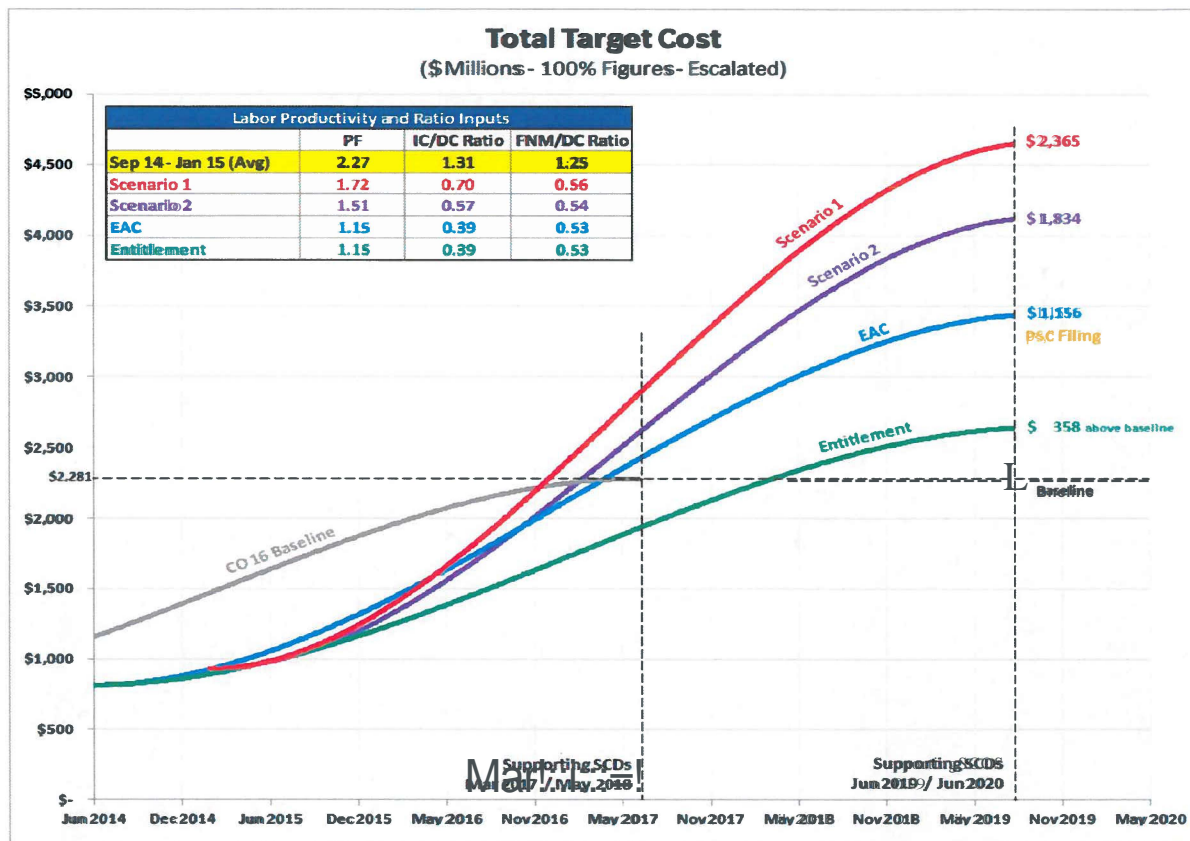
- **EAC** (Aug 2014) ... is the latest example
 - **Target Costs** ... in first seven months following receipt of the EAC were **\$96.1 M above the estimate.**
 - **Direct Craft Productivity Factor** (EAC basis 1.15) ... averaged 2.23 resulting in **\$16.6M** in additional costs.
 - **Indirect to Direct Craft Labor Ratio** (EAC basis 0.39) ... averaged 1.34 resulting in **\$31.4M** in additional costs.
 - **Field Non-manual to Direct Craft Labor Ratio** (EAC basis 0.53) ... averaged 1.29 resulting in **\$48.1 M** in additional costs.

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2. Supporting Charts



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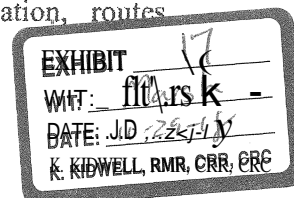


Nuclear Timeline—Additional Project Management Request

For well over two years, the Santee Cooper Board and management team have been pressing SCANA to substantially enhance the construction project management team by repeated direct requests, through the Bechtel analysis, and via the CORB process, as indicated by the timeline below.

Timeline: Project Management

- May 2014: **Roll-up Letter** - Shortly after sending the May 2014 roll-up letter to WEC receiving the \$1B EAC (Aug), Santee Cooper began discussions **with SCE&G executives to engage outside assistance with management of the EPC contract.**
- Sep 3, 2014: **Marsh email to Carter (September 3, 2014 at 2:06:00 PM EDT),...**
- “We are ready to move forward with hiring/engaging an additional resource with significant construction expertise to assist us with evaluating the construction schedule and project status. I believe having this person on our staff vs, working as a consultant will avoid conflicts with the consortium on proprietary matters.”
- Feb 17, 2015: **SCANA Meeting (Timmerman's old office) - Marsh, Byrne, Carter, Watson, Crosby)- Santee Cooper suggests Bechtel for project review, providing SCANA with a project assessment proposal to assist in identifying areas for improvement.**
- Apr 7, 2015: **Bechtel Meeting (SCANA Hangar) - Team Marsh, Team Carter, & Bechtel - Bechtel introduces its nuclear team and presents assessment proposal. Kevin agrees to seek SCANA Board approval to go forward with an assessment.**
- Apr- Aug: **SCANA and Santee Cooper Board approvals received - to move forward with a Bechtel project assessment.**
- Aug 10, 2015: **Bechtel Assessment- finally begins. Much time lost April through July getting Roderick & Ashernan engaged and NDAs and PO in place. To push forward, Santee Cooper made the Bechtel assessment a “requirement” to proceed with the (stalled) negotiations that eventually led to CB&I exiting the Project.**
- Aug- Oct: **Bechtel Calls - Craig Albert holds weekly calls with Marsh & Carter. SCANA NND project leadership has limited involvement in the assessment. Cherry steps up to lead effort on behalf of Owners. Cherry engages Archie in a daily effort to force WEC (Benjamin / Roderick) to release engineering & schedule documents. Carl Rau & Roderick eventually have a heated email exchange. Documents are finally released to a reading room only - the assessment effort is a challenge.**
- Oct 22, 2015: **Bechtel Meeting (SCANA HQ)- Bechtel executive level report-out of project assessment, findings, and high-level recommendations. Bechtel promises a final report in 2-3 weeks. SCANA management expresses hesitation, routes**



assessment through legal department, indicates concern Bechtel's objective is to seek a long-term engagement on the Project.

Nov 12, 2015: Bechtel Assessment Report– issued to George Wenick - Weeks go by with Wenick/Bechtel wrangling over Wenick's rejection of initial report, redactions, timeline removal, critique of project management. Baxley, Pelcher, Lindsay, and Bynum meet with Wenick (in Atlanta) for a review and final disposition of report.

Feb 5, 2016: Bechtel Project Assessment Report– Numbered copies of final report released to Santee Cooper by SCANA.

Mar 4, 2016: Santee Cooper Recommendations – Five formal recommendations forwarded to Marsh;

1. Construction Milestone Payment Schedule
2. Project Evaluation and Assessment by Owners
3. Quarterly Meetings with Toshiba / WEC / Fluor
4. Evaluation of Fixed Price Option
5. Professional Oversight of EPC Agreement

Mar 7, 2016: SCANA Meeting (Kevin's conference room) – Marsh, Byrne, Archie, Lindsay, Bynum, Team Carter – group discusses Bechtel Report and Santee Cooper formal recommendations. Carter praises SCANA's project management team for its operations experience and ability to work well with NRC, but expresses concern over inability to hold Consortium accountable.

Marsh agrees to have the SCANA and Santee Cooper teams study the Bechtel Report, agree on actionable recommendations. Marsh agrees to add EPC resources to his team to fill @Y gaps/needs identified.

Marsh, Byrne & Archie float Construction Oversight Review Board (CORB) approach as a possible resource solution ... same was being used at Vogtle.

CMPS – at Santee Cooper's request, Marsh agrees to hire Bechtel (Jason Moore) on a limited scope basis to assist team in development of the CMPS. Action assigned to Archie. Archie first attempts to hire Jason Moore as an independent contractor. Subsequently, Craig Albert instructs his staff to move on.

Mar 11, 2016: CEO Meeting (Columbia)– Marsh, Harold Stowe, Carter, Leighton Lord– meet to discuss Santee Cooper's formal recommendations and expectations of SCANA for the planned Mar 21 Joint Board meeting.

Mar 18, 2016: Marsh email to Carter (March 18, 2016 at 8:25:34 AM EDT) ... pertinent excerpts provided below:

"Our team is looking forward to meeting with the Santee Board next Monday ..."

"We appreciate the effort behind the recommendations provided to us regarding your views on project issues. We have carefully considered your concerns and, as we discussed in our meeting last week, we appear to be in alignment on the first four. We agree in principle with the concern expressed in Item 5 related to additional oversight of the project and have a plan of action that we believe will address the issue appropriately. Our first step in this regard is to staff a Construction Oversight Board.

"Next we would seek an appropriate number of experienced EPC, and/or large construction project personnel to add to the new nuclear team. These individuals would be available to assist the current Project Management Office team and site leadership in assessing and addressing issues arising during construction. I am confident that the number and specific type of personnel needed in this capacity will be informed by the work of our teams who are currently summarizing a list of recommendations for the project going forward. We expect these teams to complete their work and provide a report to senior management by the end of April."

Mar 21, 2016: **Joint Board Meeting 1 (Columbia Hilton)** - discussed Bechtel Report, Santee Cooper March 3 formal recommendations and SCANAs plan forward to address issues.

Marsh committed that SCANA and Santee Cooper would work to identify actionable Bechtel recommendations. SCANA would add EPC experts to its team, and that SCANA would charter V.C. Summer Construction Oversight Review Board to help SCANA with project execution.

Apr 7, 2016: **SCANA feedback on Bechtel Assessment** - Cherry and Crosby meet with Archie and Bynum. In response to Marsh's request for the teams to work on the Bechtel assessment recommendations, Bynum gave Santee Cooper a spreadsheet containing SCANA feedback from several members of the NND project management team. Brad Stokes (SCANA Manager of Engineering) had not been a part of the Bechtel assessment review effort, even though many issues tied to engineering were impeding progress on the Project.

Apr 15, 2016: **Santee Cooper feedback on Bechtel Assessment** - Also in response to Marsh's request for the teams to work together on the Bechtel assessment, Santee Cooper forwarded Archie and Bynum Santee Cooper's formal review of the Bechtel assessment which included a cross-reference to SCANAs feedback. Santee Cooper's feedback was consistent with its Mar 3rd recommendations calling for the addition of EPC expert resources to assist SCANA project management with executing Bechtel recommendations on engineering, procurement, project controls & scheduling.

Archie called Crosby and Byrne emailed Crosby a few days later and confirmed that they had received and reviewed Santee Cooper's feedback ... and that the teams were in agreement.

May 19, 2016: **SCANA meeting – CMPS & Bechtel Assessment** – Marsh, Byrne, Archie, Carter, Crosby, Cherry meet.

CMPS: WECs front-end loaded CMPS discussed in detail. Santee Cooper again requested SCANA seek outside expertise to assist Owners with this issue.

Bechtel Assessment: Due to the progress WEC & Fluor appear to be making on procurement issues – Santee Cooper agreed to narrow the focus of the Bechtel recommendations to only engineering issues.

Jun 17, 2016: **Santee Cooper Board Meeting (Wampee)** – Fixed Price Option formally introduced to the Santee Cooper Board. .

Jun 18, 2016: **Crosby email to Archie (June 18, 2016 10:50 AM EDT)**– Marsh, Carter and Byrne were copied ... pertinent excerpts provided.

“Yesterday, Marion brought me the attached document that you gave hint Thursday on the Project Assessment Report... SCANA's recommendation, and apparent next step, is to perform (another) 3rd party assessment on how to make things better....I am not supportive of just another 3rd party assessment. The assessment completed Q3 2015, at a cost of \$1M, was sufficient for Santee Cooper to recognize the need to on-board experts help to work on key issues and improve the management of the Project.” No response was received.

Jun 20, 2016: **Joint Board Meeting 2 (Nexsen Pruet)**

Fixed Price Option: SCANA presents its analysis of the Fixed Price Option.

CORB: Peggy Pinnell (Santee Cooper Director) reminds Archie of his commitment in the Mar 21 joint meeting to get the CORB established as soon as possible. Archie commits to getting the CORB established by Jul 20.

Aug 2016: **CORB Review #1** – The Construction Oversight Review Board held its first review in Jul & Aug. The initial review provided for a high-level review of the project schedule, construction, construction to startup turnover planning, engineering, startup, project management, procurement, document control, vendor supplied equipment, and component testing. An executive level exit meeting was held on Aug 18 – primary takeaways follow:

- Schedule has too many activities (238K vs 60K at Watts Bar 2)
- Subcontracts are not in schedule
- Engineering is impeding construction
- Engineering not in schedule – being handled by lists
- Project Management – must get aggressive to hold EPC accountable, Team will not make it without some help

CORB Chairman (Skaggs) promised final report in 2 weeks.

Sep 16, 2016: **Draft CORB Report #1** – received from SCANA after Carter discussed with Marsh that the report was past due. Report was in-house SCANA and being reviewed by Archie. Bynum forwarded a copy to Baxley and reminded Santee Cooper the report was confidential.

Oct 13, 2016: **SCANA action on CORB Report #1** – Williams requests an update from Archie on Oct 5. Jones forwards a report on Oct 13. The information received was primarily a report on what WEC & Fluor are doing to address CORB recommendations on **schedule**, engineering, project metrics, etc.

Conclusion: SCANA's project management team has many areas of strength (nuclear safety culture, operations, NRC management) but does not have the comprehensive skills and depth of experience necessary in engineering, scheduling, project controls and construction to manage a large new build project laced with complexities. Those complexities being (1) a first of a kind nuclear technology (2) being deployed by an over-extended equipment manufacturer (Westinghouse), (3) backed by an incompetent engineering firm responsible for project integration (Stone & Webster now WECTEC), and (4) a Contractor that has been disingenuous on multiple issues. The Project would be greatly benefitted by infusing the current project management team with a framework of qualified EPC managers charged with working collaboratively with the Owner and Consortium to identify areas for improvement, suggest proven solutions, and to provide an independent perspective on actual progress – the effort aimed at increasing the accountability of the Consortium and the success of the Project. After three years of project delays, and now another five months of Unit 2 delay realized in 2016 -- there should be no shame in reaching out for qualified assistance.

Nuclear Timeline—Project Bankruptcy Counsel

Beginning with the precipitous decline of Toshiba's credit rating and financial strength, the Santee Cooper Board and management team have been requesting that SCANA retain bankruptcy counsel for the project. The following timeline is illustrative:

Timeline: Bankruptcy Counsel

April 2015: Toshiba announces accounting scandal.

July 21, 2015: Toshiba senior executives and Board of Directors resign.

Dec 22, 2015: Moody's reduces Toshiba long term bond rating to junk status.

Mar 2016: Santee Cooper approaches Nelson Mullins bankruptcy counsel about Project, conflicts check shows WEC is a client of Nelson Mullins in some capacity.

Mar 21, 2016: Joint Board Meeting 1 (Columbia Hilton)– Boards discussed declining financial condition of Toshiba and what financial response the Owners should make to poor project progress. Owners' counsel met with George Wenick that afternoon and Santee Cooper requested that bankruptcy counsel be retained for the Project as a proactive measure given Toshiba's and potentially WEC's financial condition.

Apr 4, 2016: Pelcher email to Bynum (April 4, 2016 4:01 PM EDT)– pertinent excerpt

"... has SCE&G secured a project bankruptcy attorney to help us think through how Toshiba's financial difficulties might impact Westinghouse and ultimately us? You may recall this is a topic we discussed during our Mar 21 (post board meeting) nuclear attorneys meeting ..."

Jun 7, 2016: Crosby email to Byrne (June 07, 2016 6:03PM EDT)– pertinent excerpts

"... Lonnie asked me to forward you and Kevin a proposed agenda for the joint meeting on the 20th. Here is what I have so far ..., welcome your comments.

1. Fixed Price Option

- a. SCANA analysis- presentation
- b. PSC Testimony- any comments that can be shared
- c. Draft SCANA letter to Santee Cooper – recommending FPO
- d. Potential Bankruptcy – outside legal opinion & plan to address"

Jun 16, 2016: Marsh email to Carter (June 16, 2016, at 3:39PM)– pertinent excerpts

"Based on our internal discussions, we propose an agenda as follows:

1. Follow-up on issues from our last joint meeting;
2. Consideration of the fixed price option; and
3. Update on the milestone schedule/Dispute Resolution Board (DRB) issue"

"Through a number of emails I have seen other topics that your board may want to discuss. We are prepared to do that, but we believe that such a discussion should occur when we have more time. Issues, such as the potential bankruptcy of Toshiba or Westinghouse are critical, but would prefer to have some detailed discussions and debate within our project teams before making a formal presentation to either of our boards."

Jun 16, 2016: Carter email to Marsh (Jun 16, 2016, 7:20 PM)--- pertinent excerpts

"... Finally, I agree with you that further staff level discussion on the ramifications of a Toshiba or Westinghouse bankruptcy would be useful and should precede any formal presentations to our boards on this matter. With that said, the possibility of such a bankruptcy cannot be entirely divorced from our joint board discussions on Monday. For example, Item No. 2 on your agenda relating to the fixed price option obviously shifts risk away from the Owners and to Toshiba/Westinghouse, making their credit worthiness all the more important. Similarly, with respect to Item No. 3, getting the milestone payment schedule right will make it less likely that Westinghouse view as desirable a strategic Chapter 11 bankruptcy to rid itself of uneconomical executory contract."

Jun 17, 2016: Carter email to Marsh (June 17, 2016 5:12PM)--- pertinent excerpts

"At today's Santee Cooper Board meeting several questions regarding the implications of a Toshiba bankruptcy came up. Some we could address others not. I would anticipate similar questions Monday....."

Jun 23, 2016: Pelcher email to Bynum (June 23, 2016, at 5:12PM)~ pertinent excerpts

"... Al, one of my notes from Monday's Joint SCANA/Santee Cooper Board Meeting in Columbia was an interest by members of the respective boards in retaining project bankruptcy counsel to provide strategic advice on the challenges associated with Toshiba's financial difficulties arising out of last year's accounting scandal and the risk that posed to the Owners and the project.

"As I understood the discussion from Monday, our joint boards had an interest in retaining as project counsel someone who would be able to represent us both now and in the event of a bankruptcy without having to get a waiver from Westinghouse or Toshiba. My notes indicate that you tasked George Wenick to identify potential project bankruptcy counsel for this purpose."

"One more thing - - and just speaking for myself - - in the penultimate paragraph of this June 16, 2016, at 3:39PM Email, below, Kevin Marsh advanced the idea of

possibly making a "formal presentation" to our boards on the bankruptcy/insolvency issue after some further analysis/discussion among staffs of SCE&G and Santee Cooper. Given the demonstrated interest in this issue by our board, I think this is a very good idea."

"I would think that the content of such a board presentation would be informed not only by the analysis of the project bankruptcy attorney we eventually (hopefully very soon) retain, but also by a more granular understanding of Toshiba's and Westinghouse's financial situation. Although as a Japanese company the particulars of Toshiba's financial situation might be a bit opaque to us over here, I would think that there would be resources available to allow us to develop a better picture of its situation and prospects."

Jun 24, 2016: Bynum email to Pelcher (June 24, 2016 1:53 PM)- pertinent excerpt

"Ron and I talked to George yesterday about adding bankruptcy support. He is looking for candidates. We are likely comfortable with whoever he suggests"

Jun 30, 2016: Pelcher email to Bynum (June 30, 2016 11:41 AM)- pertinent excerpt

AI: Following Up on our Email Exchange of late last week on bankruptcy counsel, and anticipating that this issue might be raised by one of our board members in connection with today's meeting, has any progress been made in securing project bankruptcy counsel? As you may remember, the issue of WEC/Toshiba bankruptcy/insolvency was on the mind of several of our board members during the June 20th Joint Meeting."

Jun 30, 2016: Bynum email to Pelcher (June 30, 2016 2:59 PM)- pertinent excerpt

"George will have to answer your bankruptcy question -- we delegated that to him"

Aug 19, 2016: Pelcher email to Bynum (August 19, 2016 8:43 AM)- pertinent excerpt

"AI: As you may know, the Santee Cooper meeting on Monday, August 22nd. There will be the now normal update on V.C. Summer Units 2 and 3 in Executive Session. I will be on hand to answer questions of a legal variety that may arrive. "

"QUESTION: If asked by a board member in Executive Session about the status of securing project bankruptcy counsel, what should I tell them?"

Sep 28, 2016: Pelcher email to Wenick/ Bynum (September 28, 2016 2:20 PM)- pertinent excerpts

"George/Al: I was on the Executive Floor today and a question came up about whether George has made any progress in identifying a project bankruptcy counsel? You may recall, that this is a matter that our joint boards discussed during their June 20th meeting. I have pasted below **for your convenience prior** Email on this matter."

"The next Santee Cooper Board meeting is scheduled for October 14th and I anticipate this issue coming up at that time."

Oct 24, 2016 Carter and Baxley travel to New York and meet with Dentons, LLC attorneys regarding project bankruptcy counsel.

Oct 25, 2016 Carter letter to Marsh:

During the June 20 joint meeting, members of both our Boards expressed concern about the financial difficulties being faced by Toshiba Corporation and Westinghouse Electric Company and how those problems could possibly impact the timely and successful completion of the project. One action item that SCANA agreed to take on was securing Project Bankruptcy Counsel who would help us think through Toshiba/Westinghouse insolvency scenarios so that we might begin planning now on how mitigate the impact of such an unfortunate possibility. Indeed, in a June 16, 2016 email to me, you expressed the very same concerns describing "the potential bankruptcy of Toshiba or Westinghouse [as] critical" but expressing the "prefer[ence] to have some detailed discussions and debate within our project teams before making a formal presentation to either of our Boards." The time for that formal presentation to the Board has arrived.

Oct 28, 2016 Email from Baxley to Marsh and SCANA legal team:

I'm pleased to report that this week we have located bankruptcy counsel for the nuclear construction project. Stuart Caplan of Dentons New York office has assembled an energy/large construction group with whom we met this week. Stu is well known to Santee Cooper and has represented us in multiple issues over three decades. He is assisted by Farrington Yates who focuses on large scale construction bankruptcies representing creditors. The third member of the team is a large construction project risk avoidance specialist who has litigated the aftermath of multiple mega projects and personally knows at least one of our DRB—John Hinchey—and made several accurate observations about his personality.

No reply received from any recipient.